



County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

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October 07, 2014

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BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

20 October 7, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**TERMINATION OF GROUP HOME FOSTER CARE SERVICES CONTRACT FOR CONVENIENCE
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

SUBJECT

The Department of Children and Family Services (DCFS) and the Probation Department (Probation) request the Board's authorization to terminate a contract for Group Home (GH) Foster Care Services (Contract Number 07-023-044) with Little People's World, Inc. (LPW) effective January 5, 2015.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that it is in the best interest of the County of Los Angeles that Contract Number 07-023-044 with Little People's World be terminated for convenience in its entirety; and
2. Approve the Termination for Convenience of Contract Number ~~07-021-055~~ 07-023-044 with LPW for GH Foster Care Services, as deemed in the best interest of the County, and authorize the Director of DCFS to issue a notice of termination forthwith.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On July 23, 2014, DCFS placed LPW on Termination Hold Status and recommends that the Board of Supervisors authorize the termination of the County's contract with LPW. LPW has failed to comply with the terms of the contract and failed to adequately respond to audit recommendations provided by DCFS and the Auditor-Controller (AC). LPW's contract deficiencies have included but are not

limited to, failure to maintain records; failure to timely cross report special incidents as required by the contract and applicable regulations; and unallowable expenditures of contract funds.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the principles of the Countywide Strategic Plan Goal No. 3, Integrated Services Delivery: Strategic Initiative 4: Youth Protection Programs.

FISCAL IMPACT/FINANCING

LPW currently provides GH foster care services for children supervised by DCFS. DCFS does not anticipate a financial impact, as the DCFS children will transition to other GH providers. There is no annual contract amount specified in the GH contract, rather payment is provided at a State established monthly rate for each child placed with the GH.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In February 2014, LPW was placed on an Administrative Hold due to Internal Revenue Service issuance of a levy against LPW's bank accounts. This tax issue was resolved in April 2014, after LPW paid its entire past due balance to the IRS and the levy was lifted. Although the tax issue was finally resolved and the Hold was lifted, DCFS and A-C are still concerned about LPW's ability to ensure program assets are safeguarded and that program funds are used in accordance with the County contract. The A-C audits of LPW have noted a continual pattern of questionable fiscal actions by LPW's Executive management. Major findings noted between 2009 and 2013 by A-C during their fiscal reviews include several unsupported and inadequately supported expenditures. County Counsel and the Chief Executive Officer have reviewed and approved the proposed recommendations.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Following approval of this Termination for Convenience, the County will continue to have contracts with 69 contractors for GH foster care services. Child placement disruptions will be minimized by facilitating the transition of DCFS children from LPW to existing GH contractors. Some children may already be in the process of transitioning to a permanent home or returning to their biological family. Following the termination of this contract, DCFS will notify the State of this action.

CONCLUSION

In light of the foregoing, DCFS recommends that your Board authorize the termination of the contract with LPW in its entirety. The effective date of this Contract Termination will be January 5, 2015, which will be 90 days after issuance of a notice of termination for convenience. Upon Board approval, the Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter to the DCFS and the Probation Department.

The Honorable Board of Supervisors

10/7/2014

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Respectfully submitted,



PHILIP L. BROWNING

Director

PLB:CMM

EM:LTI



JERRY E. POWERS

Chief Probation Officer

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors